

# THE AGRICULTURAL SITUATION

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS,  
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## GROWING STRENGTH IN THE LIVESTOCK SITUATION

The animal industries are now definitely a factor of stability in the general situation. This Bureau's estimate as of January 1, 1926, shows 59,829,000 head of cattle on farms, a reduction of 3.7 per cent in 1 year. There was a reduction during the year of 1 per cent in milk cows and heifers, and of about 9 per cent in yearling milk heifers; swine decreased 8 per cent; sheep increased 3.4 per cent; horses decreased about 5 per cent. The ratio of milk heifers to milk cows has dropped from 18.8 per cent a year ago to 17.3 per cent now.

Looking back over a five-year period, the beef cattle industry has made a skillful readjustment in production. It has kept its producing plant fairly up to par, meanwhile curtailing its finished product, steers. The new census shows a fraction of 1 per cent increase in total beef cattle since 1920 but a 25 per cent reduction in steers. The number of dairy animals in the East has been reduced, though the opposite has been true in certain western butter and cheese territory. The census shows 17 per cent decrease in total dairy cattle, including a 10 per cent decrease in cows, 19 per cent decrease in yearling heifers and 37 per cent decrease in calves, since 1920, though some authorities consider these reductions exaggerated.

Last year 9,713,398,200 pounds of hogs were slaughtered under Federal inspection, for which the buyers paid \$1,147,528,676. The smallest hog crop in four years thus brought considerably the highest cash return in four years. Two billion fewer pounds last year sold for 200 million dollars more than 1924. Furthermore, foreign buyers spent just about their average amount of money (224 million dollars last year) for our pork products, although it did not buy as much pork. With production on a moderate basis, consumption and export demand holding up well, and a favorable spread between hog and corn prices, the swine industry is at present on strong ground.

A year ago corn had a unit purchasing power of 117 per cent of the pre-war level with hogs similarly at 71 and beef cattle at 53. Now the corn index has dropped to 69 while hogs have risen to 91 and beef cattle to 75. Feed has become relatively cheap while the animals have become well worth feeding. In short, livestock production has been geared down toward levels of normal stability once more.

KEY REGIONS AT A GLANCE

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THE EAST - Busy with woods work, ice cutting, barn work and the general winter routine. Winter grain suffered somewhat from heavy freezing. Dairy situation apparently being influenced by reduced numbers of young cattle. Price of cows has strengthened noticeably. General underlying conditions more favorable than last winter.

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THE SOUTH - Handicapped by bad weather, considerable rain, severe cold waves. Field work generally delayed. Truck crops making slow progress. Winter grain in rather poor condition. Disappointing season among sugar producers. Approximately 15 1/2 million bales of cotton ginned so far. Some agitation for reduced cotton acreage this spring.

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CORN BELT - Activities mostly confined to barns and feed lots. Sharp cold waves have possibly damaged winter grains and grass in many areas which lacked good snow cover. About 1 per cent fewer cattle on feed than year ago; average weight of cattle rather lighter than last year, feeding period will probably be longer. Feeder hogs been in strong demand. Possibility of more heavy stuff in markets this season. About 75,000 fewer sheep and lambs on feed than last year.

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WHEAT BELT - Winter wheat generally in fairly good condition though small. Had snow covering for most part except in portions of southern Nebraska and Kansas. Roads none too good. Outdoor work more or less at a standstill.

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RANGE COUNTRY - Ranges under snow in north and feeding general, with feed growing scarce in portions of Wyoming. Water scarce on western ranges. Stock in fairly good shape in south. Snow still deficient in mountains of Utah and Nevada. About 225,000 fewer sheep and lambs on feed in Colorado than year ago.

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PACIFIC COAST - General weather, roads, and winter crop conditions good in north. Been rather dry and cool in California, with consequent slow growth of winter crops. Navel oranges being picked in south. Heavy shipments of lettuce from Imperial Valley. Lambing in progress in south with dry weather favorable. Good crop of early lambs in California with probability of market movement as early as last year.

### TREND OF LIVESTOCK PRODUCTION

The following shows the number of farm animals in the United States according to the estimate made as of January 1 each year. (Issued January 30, 1926, by Crop Reporting Board.)

Figures given in terms of thousands, last three ciphers being omitted:

	<u>1920</u>	<u>1921</u>	<u>1922</u>	<u>1923</u>	<u>1924</u>	<u>1925</u>	<u>1926</u>
Horses	19,845	19,125	18,546	17,943	17,222	16,557	15,778
Mules	5,470	5,574	5,626	5,696	5,720	5,758	5,780
All Cattle	68,835	67,174	67,264	66,156	64,507	62,150	59,870
Milk cows*	21,230	21,239	21,665	21,840	22,161	22,523	22,290
Swine	59,813	58,328	58,100	68,189	64,950	55,769	51,223
Sheep**	39,025	37,452	36,329	37,223	38,300	39,390	40,748

The above figures represent the tentative revisions made by this Bureau showing changes in numbers of livestock during the past six years. These revisions have been based upon census data and upon exhaustive studies of marketing and other statistics.

\* Cows and heifers 2 years and over kept for milk.

\*\* Not revised.

# AVERAGE PRICES OF FARM PRODUCTS RECEIVED BY PRODUCERS

December 15, 1925.

Actual prices received by producers at local farm markets as reported to the Division of Crop and Livestock Estimates of this Bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

	5-yr. Av. Aug. 1909- July, 1914	Dec. Av. Aug. 1909- July, 1914	Dec. 1924	Nov. 1925	Dec. 1925
Cotton, per lb.	¢ 12.4	12.2	22.2	18.1	17.4
Corn, per bu.	¢ 64.2	57.7	105.6	74.6	70.7
Wheat, per bu.	¢ 88.4	86.7	141.1	148.8	153.7
Hay, per ton	\$ 11.87	11.99	12.69	13.07	13.40
Potatoes, per bu.	¢ 69.7	62.3	64.1	198.4	201.5
Oats, per bu.	¢ 39.9	38.3	50.6	37.6	39.1
Beef cattle, per 100 lbs.	\$ 5.22	5.03	5.35	6.14	6.18
Hogs, per 100 lbs.	\$ 7.23	6.73	8.39	10.66	10.51
Eggs, per dozen	¢ 21.5	29.9	49.9	46.8	48.1
Butter, per lb.	¢ 25.5	28.3	41.8	46.1	46.0
Butterfat, per lb.	¢ ----	----	41.1	47.8	47.6
Wool, per lb.	¢ 17.7	17.0	42.2	37.8	39.5
Veal calves, per 100 lbs.	\$ 6.75	6.74	7.84	9.16	9.17
Lambs, per 100 lbs.	\$ 5.91	5.52	10.96	12.15	12.67
Horses	\$142.00	137.00	73.00	75.00	74.00

Corn prices were lower in December than for any time in the past two years, 4 cents lower than on November 15 and 12 cents lower than October 15. The price of wheat continued to increase until the December 15 farm price was 5 cents higher than November 15, and was 12 cents above October 15. The long decline in rye prices has apparently reached the bottom and started upward as the December 15 farm price was 13 cents higher than the November price. The farm price of oats, barley, and flaxseed also increased from November to December.

The farm price of potatoes on December 15, 1925, was three times the price prevailing a year ago. Wheat was the only grain crop showing a higher farm price on December 15, 1925, than a year ago; flaxseed was slightly less than last year. Corn on December 15, 1925, was 33 per cent below last year; while oats, barley, and rye, were each 23 per cent lower than December 15, 1924. Cotton prices were 22 per cent lower than a year ago.

PRICE INDEXES FOR DECEMBER, 1925.

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics, (latter shown to nearest whole number.) Shows year ago, and latest available month:

Farm Products

(Prices at the farm, Aug. 1909 - July 1914 = 100.)

	<u>Dec.</u> <u>1924</u>	<u>Nov.</u> <u>1925</u>	<u>Dec.</u> <u>1925</u>	<u>Month</u> <u>Trend</u>
Cotton	177	146	140	Lower
Corn	164	116	110	Lower
Wheat	160	168	174	Higher
Hay	107	110	113	Higher
Potatoes	92	285	289	Higher
Beef cattle	103	118	119	Higher
Hogs	116	147	145	Lower
Eggs	232	218	224	Higher
Butter	164	181	180	Lower
Wool	237	212	222	Higher

Commodity Groups

(Wholesale Prices; 1910-1914 = 100.) <sup>1/</sup>

	<u>Dec.</u> <u>1924</u>	<u>Nov.</u> <u>1925</u>	<u>Dec.</u> <u>1925</u>	<u>Month</u> <u>Trend</u>
Farm products	157	154	152	Lower
Food, etc.	157	159	156	Lower
Cloths & clothing	195	192	191	Lower
Fuel & lighting	191	203	203	Unchanged
Metal & met. products	142	139	139	Unchanged
Bldg. materials	180	181	182	Higher
Chemicals, etc.	133	134	133	Lower
House-furnishing goods	178	172	172	Unchanged
<u>ALL COMMODITIES</u>	160	160	159	Lower

<sup>1/</sup> Bureau of Labor Statistics index numbers converted to 1910-1914 base.



# RELATIVE PURCHASING POWER

(At December 1925 Farm Prices)

Aug. 1909 - July, 1914 = 100

In terms of:	Of a Unit of:				
	Cotton	Corn	Wheat	Hay	Potatoes
All commodities	88	69	109	71	182
Cloths, etc.	74	58	91	59	152
Fuel, etc.	69	54	86	56	143
Metals, etc.	101	79	125	81	208
Bldg. Materials	77	60	95	62	159
House-furnishing goods	82	64	101	66	168

	Beef Cattle	Hogs	Eggs	Butter	Wool
All commodities	75	91	141	113	139
Cloths, etc.	62	76	117	95	116
Fuel, etc.	59	72	110	89	109
Metals, etc.	86	105	161	130	160
Bldg. materials	65	80	123	99	122
House-furnishing goods	69	85	130	105	129

The December figures showed a downward trend in unit purchasing power of cotton, corn, and slightly in case of hogs. The trend was upward for wheat, potatoes, eggs, and wool. The changes were small in all cases. Potatoes and wool sell at such relative advantage as to presumably stimulate production. Corn, hay, and cattle sell at prices so low relatively as to probably discourage their increased production.

The general index of purchasing power of farm products, in terms of non-agricultural commodities, continued at 87 in December. That was the figure during the three closing months of 1925. The average for the year 1925 was 89, compared with 83 average for the year 1924.

GENERAL BUSINESS INDICATORS  
RELATED TO AGRICULTURE

	1924 Dec.	1925 Nov.	1925 Dec.	Month's Trend
<b>PRODUCTION</b>				
Pig iron daily (Thou. tons)	98	104	108	Increase
Bituminous coal (Millions tons)	46	51	53	Increase
Automobiles shipped (Thou. carloads)	28	47	41	Decrease
<b>CONSUMPTION</b>				
Cotton by mills (Thou. bales)	534	543	575	Increase
Unfilled orders Steel Corp. (Thou. T.)	4,817	4,582	5,033	Increase
Building contracts (Millions dollars)	283	407	443	Increase
Pigs slaughtered (Thousands)	4,335	2,300	2,776	Increase
Cattle " "	1,265	1,232	1,248	Increase
Sheep " "	854	793	840	Increase
<b>MOVEMENTS</b>				
Bank clearings (N.Y.) (Billions dollars)	26	23	27	Increase
Car loadings (Thousands)	3,475	4,095	3,699	Decrease
Mail order sales (Millions dollars)	46	45	53	Increase
Men employed, N. Y. State Factories (Thou.)	499	513	516	Increase
Av. price 25 indus. stocks (Dollars)	134	174	178	Increase
Interest rate (4-6 mo. paper, N. Y.)	3.38	5.45	4.75	Decline
Retail Food Price Index (Dept. Labor)*	152	167	166	Lower
Wholesale Price Index (Dept. Labor)*	157	158	156	Lower

Most of the first-of-the-year comments from business leaders express satisfaction with general business conditions and hope for their continuance. A note of caution, however, comes from some of the best informed men. There are apparently some reservations as to the probability of indefinite continuation of the building, automobile, and other leading booms. Attention focuses quite definitely upon the building boom - as it goes so may go the whole industrial situation.

So far as farmers are concerned, there appears to be little in the industrial outlook which should prompt any radical change in production programs. We might have an industrial slump next fall, as is possible any year. But there are no signs as yet which will be apt to influence farmers away from their usual spring programs.

GENERAL TREND OF WAGES AND PRICES

1910-1914 =100

Year and Month	General Wage Level	Farm Wages 2/	Retail Price of Food 1/	Wholesale Price of Food 1/	Wholesale Price All Commodities
	N.Y. factory workers				Bureau of Labor Statistics
1910	---	97	96	100	103
1911	---	97	95	96	95
1912	---	101	101	103	101
1913	---	104	103	99	102
1914(June)	100	101	106	101	100
1915	101	102	104	104	103
1916	114	112	117	120	129
1917	129	140	151	166	180
1918	160	176	174	187	198
1919	185	206	192	205	210
1920	222	239	210	218	230
1921	203	150	158	143	150
1922	197	146	146	137	152
1923	214	166	151	143	156
1924	218	166	150	143	152
1925	223	---	160	156	162
<u>1924</u>					
July	213	168	148	138	150
August	216	---	149	143	152
September	221	---	151	147	152
October	217	171	153	151	155
November	218	---	155	153	155
December	222	---	156	157	160
<u>1925</u>					
January	223	156	159	159	163
February	220	---	156	156	164
March	224	---	156	158	164
April	218	163	155	153	159
May	221	---	156	152	158
June	220	---	160	154	160
July	220	170	165	156	163
August	222	---	165	158	163
September	223	---	164	159	163
October	225	173	167	157	160
November	226	---	172	159	160
December	229	---	171	156	159

1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.

2/ Index based on both monthly and daily wages.



NEW INDEX OF GENERAL TREND OF PRICES  
On Five-Year Base, August, 1909 - July, 1914 = 100

Year and Month	Index numbers of farm prices							Wholesale Prices of Non-Agricultural Commodities 1/	Relative power of purchasing Farmer's Product 2/
	Grains	Fruits and Vegetables	Meat Animals	Dairy & Poultry Products	Cotton and Cotton-seed	Unclassified	All Groups 30 Items		
1910	104	91	103	101	113	102	103	102	101
1911	96	106	87	95	101	103	95	96	99
1912	106	110	95	103	87	106	99	100	99
1913	92	92	108	100	97	94	100	105	95
1914	103	100	112	101	85	95	102	97	103
1915	120	83	104	99	78	95	100	101	99
1916	126	123	120	106	119	100	117	138	85
1917	217	202	173	133	187	130	176	182	97
1918	226	162	202	160	245	157	200	188	107
1919	231	189	206	182	247	162	209	199	105
1920	231	249	173	197	248	152	205	241	85
1921	112	148	108	151	101	90	116	167	69
1922	105	152	113	135	156	94	124	168	74
1923	114	136	106	147	216	109	135	171	79
1924	129	124	109	137	211	100	134	162	83
1925	156	160	139	143	177	92	147	165	89
1924									
Oct.	150	109	121	142	182	102	138	158	87
Nov.	147	108	115	150	179	106	137	160	86
Dec.	155	110	113	158	176	102	139	163	85
1925									
Jan.	172	122	125	154	182	94	146	165	88
Feb.	178	131	126	142	183	96	146	167	88
Mar.	172	138	145	134	195	94	151	165	91
Apr.	152	146	146	131	189	94	147	162	90
May	159	162	139	132	184	87	146	161	90
June	164	184	139	132	183	86	148	163	91
July	152	178	148	134	186	88	149	164	91
Aug.	157	178	149	139	186	96	152	164	93
Sept.	148	142	143	141	178	90	144	163	88
Oct.	135	152	141	154	171	90	143	164	87
Nov.	138	194	136	162	144	95	144	166	87
Dec.	140	194	136	163	139	92	143	165	87

1/ Computed by Bureau of Labor Statistics from wholesale prices of all commodities except those from United States farms. 1910-1914 = 100. 2/ The value of a unit of the farmer's product in exchange for non-agricultural products at wholesale prices, compared with pre-war values. Obtained by dividing index of all groups (30 items) by index of wholesale prices of non-agricultural products.

# THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
*1920 Total	332,314	210,332	42,121	22,197	23,538	406,290
1921 "	435,606	340,908	41,101	19,787	24,168	472,011
1922 "	413,106	378,598	44,068	23,218	22,364	530,601
1923 "	386,430	271,858	55,330	23,211	22,025	549,207
1924 "	482,007	278,719	55,414	23,695	22,201	591,439
1925 "	346,381	223,604	43,929	24,067	22,100	578,803
*1920 Dec.	30,780	18,276	4,200	1,395	1,566	21,808
1921 "	21,616	38,449	3,931	1,417	1,664	31,097
1922 "	46,002	38,145	5,004	1,825	1,516	32,602
1923 "	28,756	37,930	5,825	1,810	1,526	35,180
1924 "	33,076	29,239	6,604	2,083	1,605	33,471
1925 Jan.	23,247	35,820	6,105	1,869	1,467	38,118
" Feb.	18,493	20,833	4,558	1,530	1,388	35,421
" Mar.	16,925	23,868	3,528	1,860	1,504	41,027
" Apr.	10,023	9,810	3,247	1,827	1,541	42,559
" May	17,896	11,935	3,283	1,737	1,689	57,276
" June	20,465	17,381	3,507	1,746	1,603	74,597
" July	37,919	9,662	2,798	1,970	1,699	70,395
" Aug.	41,928	17,488	2,549	2,245	2,064	57,996
" Sept.	57,756	12,889	2,741	2,157	2,627	45,310
" Oct.	34,111	12,187	3,390	2,789	3,198	43,806
" Nov.	33,948	19,144	3,844	2,282	1,712	35,773
" Dec.	33,670	32,587	4,380	2,056	1,608	36,525

More corn moved to market in December than previous month, as is the usual case. General grain movement in line with previous years.

Hog movement continues to reflect the decline in production below previous year. Cattle and sheep movement practically same as year ago.

Butter receipts showed seasonal increase and continued somewhat heavier than in same month of recent years.

\*Note: Figures for 1920 and 1921 based on 11 markets. All others on 13 markets.

THE TREND OF EXPORT MOVEMENT

Compiled from Department of Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT including flour	TOBACCO (Leaf)	BACON** HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1920 Total	307,630	467,662	821,922	612,250	1,043,500	6,111
1921 "	355,661	515,353	647,680	868,942	786,280	6,385
1922 "	232,302	430,908	631,452	766,950	733,832	6,015
1923 "	171,928	474,500	828,890	1,035,382	958,472	5,224
1924 "	238,256	546,555	637,980	944,095	729,832	6,653
1925 "	136,561	468,469	467,459	688,829	547,361	8,362
1920 Dec.	30,186	45,391	83,276	90,080	101,088	785
1921 "	15,014	38,772	36,848	64,542	42,242	635
1922 "	16,428	36,954	65,642	78,596	76,830	605
1923 "	13,000	49,269	76,263	98,578	89,887	834
1924 "	24,326	44,384	73,788	76,803	43,113	1,053
1925 January	12,928	35,448	56,169	78,440	55,705	1,052
" February	11,597	23,806	48,041	60,363	55,438	792
" March	16,202	32,477	53,853	63,281	62,158	708
" April	12,721	30,519	33,413	44,447	39,303	440
" May	12,976	22,415	33,475	71,135	38,977	314
" June	10,759	27,460	39,690	59,799	45,398	211
" July	8,789	39,037	35,472	49,414	40,990	198
" August	11,832	34,890	31,770	45,740	38,250	313
" September	12,992	50,677	32,900	62,646	40,230	750
" October	8,910	52,211	30,706	44,745	37,071	1,414
" November	8,620	51,154	31,693	39,979	37,304	1,196
" December	8,235	68,375	40,277	68,840	46,537	974

\* Includes fresh, canned and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; fresh mutton and lamb.

# Excludes linters.

\*\* Includes Cumberland and Wiltshire sides.

# COLD STORAGE SITUATION

January 1 holdings (Shows nearest million, six figures omitted,)

Commodity	5-Year Average	Year Ago	Month Ago	January 1, 1926.
Creamery butter, lbs.	46	66	75	53
American cheese, lbs.	39	49	66	59
Case eggs, cases	1,117*	1,050*	3,786*	1,677*
Total poultry, lbs.	102	134	87	111
Total beef, lbs.	118	143	74	85
Total pork, lbs.	575	647	385	472
Lard, lbs.	53	61	34	43
Lamb & mutton, lbs.	16.9	2.9	1.5	1.8
Total meats, lbs.	785	886	511	616

Seasonal movement of dairy products and eggs out of storage during month prior to January 1.

Pork and beef moved into storage during the month but in smaller than average volume.

Stored stocks of butter, below last year but still somewhat above average. Stocks of eggs considerably above last year and above average. Beef stocks below average. Stocks of pork a hundred million pounds below average, a factor of strength in the position of hog producers.

\* Thousands, or three figures, omitted.



## THE DAIRY SITUATION

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There have been pronounced changes in the butter markets during the last of December and up to the close of January which are indicative of a sensitive market position. During December, weakness of foreign butter markets developed suddenly, prices dropped to a level where shipments to this country were possible, some shipments coming from Denmark, New Zealand, Sweden, the Argentine and Siberia, and domestic butter prices were lowered rather radically, partly because of the butter received from these countries, but largely because of threatened heavier shipments.

This weakness continued until late in January, when with a firmer note expressed in European centers offerings to this country were withdrawn and prices began to regain some of the losses. Although prices at the close of January are about 3 cents lower than at the outset the average for the month was still some 4 cents higher than the average for January, 1925, when prices were abnormally low as a result of excessive storage holdings. Production is heavier than for the previous year with receipts at terminal markets running 4.5 per cent heavier. Mild weather, cheaper feeds than for the previous year, and promise of more satisfactory returns to the producer were factors in the heavier production which shared, with the foreign situation, the responsibility for the weakening of the markets.

Canned milk markets, too, have witnessed some change in position. Firmness and activity have featured these markets for some months, and demand has apparently been in excess of supply. During January, however, most of this firmness and much of the activity disappeared. An increase in production seems to be the key to the situation as demand is thought to have decreased only slightly if at all. Export demand continued light. Evidences are that domestic consumption during 1925 was sizably heavier than for the previous year. It is this increase in domestic consumption, together with the control over production which is always exercised to some extent, that has saved the condensed and evaporated milk markets from being in a much less favorable situation.

On the cheese market, a fairly satisfactory condition prevails. Prices have been holding their own and are more favorable than usual in relation to butter prices despite the fact that storage holdings are in excess of last year by some 9,000,000 pounds, and that production is reported heavier than in the early part of 1925.

Thus production of the more important of the manufactured dairy products is running heavier than for January a year ago. The fact that prices are as high and for some products higher than at that time is basis for a conclusion that demand is quite favorable

C. E. Eckles,

Division of Dairy and Poultry Products, B.A.E.



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DAIRY SITUATION

(Thousand lbs.; i.e., 000 omitted)

BUTTER SUMMARY

	DECEMBER			JAN. - DEC. (Inc.)		
	1925	1924	% Change	1925	1924	% Change
Production (1)						
Creamery	85,875	82,964	+ 3.5	1,299,779	1,356,080	- 4.1
Farm	37,052	37,980	- 2.4	590,000	600,000	- 1.6
Net imports	159	279	--	1,869	11,148	--
In storage (1st)	74,754	100,832	-25.9	65,694	30,299	116.8
In storage (end)	52,708	65,694	-19.7	52,708	65,694	- 19.7
Trade output	145,132	156,361	- 7.2	1,904,634	1,931,833	- 1.4
Milk equivalent	3,047,772	3,283,581	- 7.2	39,997,314	40,568,493	- 1.4
Receipts 4 mkte	34,350	31,369	+ 9.5	550,050	565,029	- 2.7

CHEESE SUMMARY

Production (2)	22,006	19,743	+11.5	428,708	413,940	+ 3.6
Net imports	5,931	4,984	--	53,212	54,876	--
In storage (1st)	84,561	77,594	+ 9.0	67,558	67,221	+ 0.5
In storage (end)	76,739	67,558	+13.6	76,739	67,558	+ 13.6
Trade output	35,759	34,763	+ 2.9	472,739	468,479	+ 0.9
Milk equivalent	357,590	347,630	+ 2.9	4,727,390	4,684,790	+ 0.9
Receipts Wisconsin warehouses	15,574	13,974	+11.4	281,661	271,954	+ 3.6

CONDENSED AND EVAPORATED MILK SUMMARY

Production (3)	100,000	97,212	+ 2.9	1,670,000	1,700,548	- 1.8
Net exports	9,736	10,705	--	143,141	199,823	--
In Mfgs' hands (1st)	165,443	159,593	+ 3.7	123,428	191,312	- 35.5
In Mfgs' hands (end)	156,190	123,423	+ 26.5	156,190	123,428	+ 26.5
Trade output	118,989	144,082	- 17.4	1,780,379	1,968,260	- 9.55
Milk equivalent	297,473	360,205	- 17.4	4,450,948	4,920,650	- 9.55

TOTAL MILK EQUIVALENT - BUTTER, CHEESE AND CONDENSED MILK

Production	3,051,527	2,980,284	+ 2.4	48,147,439	49,468,450	- 2.68
Trade output	3,702,835	3,991,416	- 7.2	49,175,652	50,173,933	- 1.99

DRY MILK

Skim milk stocks in Manufacturers' hands . . . . .	4,399 (1/1/26) 6,735 (1/1/25)-34				
Skim milk (Net)      226 Import 160 Export	1,781 Import 3,659 Export --				

- (1) Estimated from Receipts on 4 principal markets.  
 (2) Estimated from Receipts at Wisconsin Warehouses.  
 (3) Compiled from special reports to this Bureau.

T. R. Pirtle.

## THE EGG AND POULTRY SITUATION

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The egg market situation during January developed from the unsettled and uncertain position occupied at the close of December to a more definite position of weakness. The slight reaction to previous declines which occurred toward the close of 1925 was not sustained, and throughout the first half of January prices continued to decline. Now at the close of the month a steadier level has apparently been reached and daily fluctuations are about equal up and down.

The extraordinarily heavy receipts which have been reported at terminal markets since the first of the year are undoubtedly responsible, more than any other factor, for the further weakening of the markets and the somewhat unfavorable outlook at the opening of the new season. This increase in receipts was first noticed early in December but did not become exaggerated until shortly after the close of that month. The total arrivals at New York, Chicago, Boston, and Philadelphia, the largest and most influential of our terminal markets, have been some 49 per cent heavier in January, 1926, than in the preceding January. This increase is commonly regarded as further confirmation of the prevalent belief that laying stock on farms is larger than last year, and as a result of favorable weather in many of the more important producing sections. Cheaper feeds, due to the rather adequate supplies of practically all grains commonly fed to poultry, with the exception of wheat, have been a contributing factor. At this time of year there is always a tendency for eggs held in storage at interior points to be shipped to the larger markets for sale, and undoubtedly some part of the increase can be attributed to this type of shipments. Yet the increase is so large that it must be regarded as indicating a definite and sizable increase in production over the amounts recorded last year. While the increase has been more or less general, it has been noted that shipments to New York from Pacific Coast points have been rather heavy.

Stocks in storage remain heavy, and on January 1 the surplus over the previous January was larger than on December 1. The heavy supplies of fresh eggs and the low price obtained on them caused a notable restriction in the demand for stored goods. Consequently prices prevailing on storage eggs have been such, throughout January, that in many cases the first cost, plus storage and interest charges, has not been obtainable. Some attempt has been made to partially relieve the surplus by exportation but thus far the only shipments of consequence have amounted to some 2,000 cases sent to England.

Poultry markets have been in a moderately favorable position, and indications are that they will remain so. Live poultry prices have worked slightly higher, with arrivals light and clearing well.

C. E. Eckles,

Division of Dairy and Poultry Products, B.A.E.

**POULTRY AND EGG SITUATION.**  
(Thousands, i.e. 000 omitted)  
Stocks in Storage - Jan. 1 - United States

	Shell eggs (Cases)	Frozen eggs (Pounds)	Dressed poultry (Pounds)
1926	1,677	33,796	111,459
1925	1,050	21,303	133,990
Change	+ 627	+ 12,493	- 22,531
Per cent	+ 59.7	+ 58.6	- 16.8
% change from 5-yr. av.	+ 50.1	+ 37.7	+ 9.2

**Imports and Export. of Poultry and Eggs. Jan. 1, 1925 - Jan. 1, 1926.**

	Imports	1925	1924	Exports	1925	1924
Shell eggs (dozens)		609	-83	24,999		28,111
Whole eggs, dried (Lbs.)		1,455	2,083			
Whole eggs, frozen (Lbs.)		12,531	6,162			
Yolks, dried (Lbs.)		5,683	4,107	(1) 301	(1) 301	50
Yolks, frozen (Lbs.)		5,800	3,606			
Egg albumen, dried (Lbs.)		4,189	2,768			
Egg albumen, frozen, prepared or preserved (lbs.)		4,328	996			
Live poultry, (Lbs.)		2,072	1,779	712		808
Dressed poultry (Lbs.)		2,774	1,690	(2) 5,102		3,998
Canned poultry (Lbs.)		366	470	(3)	(3)	

(1) Includes all forms of frozen and dried eggs. (2) Includes game. (3) Not separately stated.

**Receipts and Apparent Trade Output at Four Markets - Eggs (Cases)**

	Receipts	December Net storage Movement	App. trade Output	Receipts	Jan. 1 - Dec. 31 Net storage Movement	App. trade Output
1925	574	-850	1,424	14,798	+ 209	14,589
1924	471	-916	1,387	14,645	- 470	15,115
Change	+ 103		+ 37	+ 153		- 526
Per cent	+ 21.8		+ 2.7	+ 1.0		- 3.5

**Receipts and Apparent Trade Output at Four Markets - Dressed Poultry (Lbs.)**

	Receipts	December Net storage Movement	App. trade output	Receipts	Jan. 1 - Dec. 31 Net storage Movement	App. trade output
1925	66,794	+ 17,912	48,882	318,359	- 15,569	333,928
1924	78,068	+ 33,137	44,931	356,732	+ 27,795	328,937
Change	- 11,274		+ 3,951	- 38,373		+ 4,991
Per cent	- 14.4		+ 8.8	- 10.8		+ 1.5

- 17 -  
WHY POTATOES ARE HIGH  
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Potatoes are always the last of the market vegetables to pass out of growers' hands. What is left of commercial cabbage, onions and miscellaneous root crops is mostly owned by dealers, but even in short crop years at least one-fourth of the potato crop is kept beyond the first of the year, and about four-fifths of this remaining stock is held by producers. Thus, the early and fairly well-sustained advance in prices has been directly to the advantage of many of the original holders.

The percentage of the crop as well as the actual quantity, on hand January 1, usually has been less in the short crop years. This is partly because the main crop in such years is often drawn upon early to make up the shortage of southern production. High prices also stimulate the early shipments of the main crop. Both these causes combined this season to bring main crop shipments to above 130,000 carloads by the first of February. Naturally, the supply remaining to be shipped is correspondingly reduced by this relatively heavy movement during the first part of the season.

The condition of the stock remaining seems to be reasonably good. Percentages of loss, including freezing and decay, were not extreme for the crop as a whole, and not greatly different from those of last season, although the principal losses this season were in different States.

Recent potato market history includes a January rise to new high points, and a reaction extending to a level slightly below the top reached in the original October uplift. Over the whole period since the virtual doubling of the price in October, the country-wide extremes of price have been \$3 to \$5 per 100 pounds. The average ran about \$2 early in October, \$4 at the end of October, \$3.50 toward the end of November, \$4.25 early in January, and \$4 toward the end of the month.

In comparing this season with preceding crop years, there are various points of difference. As compared with 1916-17, this season's per capita crop was about the same in the United States and Canada and there were no important receipts from Europe. Prices of commodities in general were perhaps 10 per cent or 15 per cent higher in the spring of 1917, but on the other hand wages had not advanced to the present level, and probably the buying power of the consuming public was not so active as it is now. In 1919, the general price level was nearly one-third higher than now, and there were no potatoes from Europe. On the other hand, there was a large crop in Canada that season, and imports were heavy. This year, as in 1917, Canada seems to have no great quantity



of potatoes to spare. In 1916-17, when the estimated production was 2.8 bushels per capita, which is the same as this season, the price ranged from \$3.25 to \$5 per 100 pounds in New York City from January to the end of the spring months. In 1919-20, with the season's per capita production 3.1 bushels, the price advanced from \$3.75 in January to \$7 in May. Comparisons with short crop seasons preceding 1916-17 are of less value because of the difference in general price level and because potatoes could be brought in from Europe in those times. Some years there was no tariff on Canadian potatoes. However, in these earlier seasons of potato shortage, in 1911-12 for instance, the price advanced in the spring months out of proportion to the decrease of production as compared with the years before or after.

The new southern crop, following other recent short crop seasons, has not proved sufficient to check a rising tendency of old potato prices until about June. Recent scattered reports do not suggest any great increase in early southern plantings.

Taking all the facts together, it seems that conditions justify a rather high level of prices for potatoes at the present time. Whether prices are to be considered too high or too low depends somewhat on the view taken of present conditions and of the records on other seasons. In several comparatively recent short crop seasons, prices have tended upward rather than down after the first of January to the end of the season or until the new crop becomes abundant about June. Often the lightest shipments and the highest prices have been seen during the spring months with the most striking effect coming near the end of the season.

G. B. Fiske,

Division of Fruits and Vegetables, B. A. E.



THE YEAR IN THE SOUTHWEST

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Outstanding among the conditions prevailing in the Southwest during the past year have been the severe, protracted drought in the south central counties in Texas and in a lesser degree in the other States; the unusual freedom from weevil damage to cotton and the resulting larger yields per acre; the large production of rice and the exceptionally good prices obtained; the return of satisfactory prices for cattle after five years of ruinous conditions; the shortage of corn, wheat, oats and hay production and the necessity of shipping in thousands of carloads of grain and feed from surplus States; the unprecedented demand from cotton farmers for power machinery and two-row cultivators.

Taking farm income as a whole, in Texas, Oklahoma and New Mexico the aggregate is considerably below that of last year, but in Oklahoma and Louisiana it is very much greater as a result mainly of the large cotton and rice production. While the number of bales produced in these five States is practically as great as last year's production of 8,100,000 bales, the value of the crop is less owing to the break in prices and the larger proportion of low grades. Last year the value of the crop was practically \$1,000,000,000 compared with \$1,500,000,000 for the entire American crop.

Farm purchases have been reduced and during the last few months the demand for merchandise at wholesale has been even less than the seasonal decline. Where crops have been good, however, purchases have continued at an active rate. Obligations have been reduced except in the sections where the drought was most severe. Savings depositors have increased in number and in the total of their deposits, and net deposits in the banks show an increase of many millions over those of a year ago. On one plantation where crops were fairly good 13 of the 14 tenants bought automobiles out of their proceeds; their gross income ranged from \$700 to \$2,800. Yet on other farms not a bale was made and the operators were compelled to seek work in the towns or in sections where rainfall was not deficient.

Business failures have been nominal during the year. Building of homes and business houses in the towns and cities has been active, but very few improvements are visible in the rural districts. Farm implement sales have fallen off since the middle of the year except in those sections where crops were good or where new development is taking place. Labor, both on the farms and in the towns, has been in demand throughout most of the year. With a good supply of moisture in the ground and pastures in good shape in practically the entire Southwest, the coming year will start off under much more favorable conditions than did the crop year just ended. There is a feeling of optimism among the cattle, sheep and goat raisers and in most of the farming districts.

H. H. Schutz,  
State Statistician, B. A. E.

THE YEAR IN WISCONSIN

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Favorable prices for dairy products and hogs, good crops of feed grains in Wisconsin, and profitable returns from potatoes and tobacco have brought about a favorable current situation in agriculture in Wisconsin.

Since last spring butter, cheese, and milk prices have been substantially better than a year ago. Milk and cream checks, accordingly, have been about 20 per cent better during the last half of 1925 than a year ago. Lower butter prices in January are causing some uneasiness at this time. Of almost equal importance with prices are generally large supplies of home-grown corn, oats, and barley. Accordingly, feed bills representing an enormous outlay in some years - can be kept down to a minimum this year. Prices of corn, oats, and barley are uniformly low, but Wisconsin farmers are more concerned with an ample supply of these grains as feed for livestock than they are with cash prices. New record yields for the State of these three grains were sent up in 1925. Plenty of corn silage offsets low yields of hay in some sections.

Hog producers are pleased with the hog situation. It has been a fortunate combination in Wisconsin of high hog prices and a good crop of ripe corn. November and December hogs were fed out to weights 34 pounds heavier than a year ago. In Wisconsin where about 85 per cent of the farmers' income is from livestock and livestock products, the higher price levels for these products is distinctly favorable.

Of the cash crops of general importance in Wisconsin, potatoes are in the best price position. In the commercial potato areas, where for three or four years the returns have been very disappointing, this year farmers have realized extremely good returns. This is particularly true in the Waupaca district where yields were generally good. In northern Wisconsin counties, also, high potato prices have brought encouragement to settlers. Much of the farm crop was sold for less than \$2.00 a cwt., but price levels have been so high that 1925 will be long remembered in the potato industry in this State.

The excellent quality of the 1925 tobacco crop has not only proved an asset in itself but has been instrumental in selling the poor quality 1924 crop. The Tobacco Pool has disposed of the 1924 and 1925 stemming crops, and with these sales payments as high as 8 cents per pound are being made on delivery of the 1925 stemming crop. There will not be as much sorting tobacco in the 1925 harvest as expected earlier in the season, but binder crops are expected to move at substantially good prices. Growers are encouraged by the selling prices that have been established and the recent sales that have been made by the Tobacco Pool.

Paul O. Nyhus;  
State Statistician, B. A. E.